

FINAL BILL REPORT

SB 5673

C 315 L 09
Synopsis as Enacted

Brief Description: Concerning certificates of need.

Sponsors: Senators Pridemore, Zarelli, Keiser, Murray, Rockefeller, Hobbs, Regala and Shin.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The certificate of need (CON) program is operated by the Department of Health (the department) under direction of the secretary's designee. A CON is required before a health care facility can be constructed, sold, purchased, or leased or before a health care provider can offer certain new or expanded services. The purpose for a CON process is to ensure that new services proposed by health care providers are needed within a particular region.

Criteria for the review of a CON application are different for health maintenance organizations (HMO's) and other health care providers.

Health care facility CON applications are reviewed subject (but not limited) to the following criteria: the need for such services; the availability of less costly or more effective alternative methods of providing such services; financial feasibility; the impact on health care costs in the community, quality assurance, and cost effectiveness; the use of existing services and facilities; and (for hospitals) whether the hospital meets or exceeds the regional average level of charity care as well as other factors.

An HMO CON application is not subject to the previously listed criteria. Instead, an HMO CON application must be approved by the department if the department finds: CON approval is required to meet the needs of the HMO's current and future members, and the HMO is unable to provide its services in a reasonable and cost effective manner consistent with the basic method of operation.

Summary: An HMO is exempt from the requirement to obtain a CON prior to construction, development, establishment, sale, purchase, or lease of a hospital if the HMO operates a group practice which has been continuously licensed as an HMO since January 1, 2009.

Votes on Final Passage:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Senate	41	6	
House	97	1	(House amended)
Senate	42	6	(Senate concurred)

Effective: July 26, 2009